

BOARD OF COMMUNITY HEALTH
March 8, 2007

The Board of Community Health held its regularly scheduled meeting in the Floyd Room, 20th Floor, West Tower, Twin Towers Building, 200 Piedmont Avenue, Atlanta, Georgia. Board members attending were Richard Holmes, Chairman; Ross Mason, Vice Chairman; Mark Oshnock, secretary; Dr. Inman C. "Buddy" English; Kim Gay, Frank Jones, Dr. Ann McKee Parker; and Richard Robinson. Commissioner Medows was also present. (A list of Attendees and Agenda are attached hereto and made official parts of these Minutes as Attachments # 1 and # 2).

Approval of Minutes

Mr. Holmes called the meeting to order at 10:39 a.m. The Minutes of the February 8 meeting were UNANIMOUSLY APPROVED AND ADOPTED.

Chairman's Comments

Mr. Holmes introduced and welcomed new board members Richard Robinson, owner of Rockdale Transport in Cairo, and Frank Jones, CFO and Treasurer of Stafford Development in Tifton. Mr. Holmes asked Dr. Medows for the Commissioner's Comments.

Commissioner's Comments

Dr. Medows began with an update on PeachCare. She said the Department did not have a commitment in terms of appropriations from the state and federal government. She gave a summary of what has occurred since the last board meeting.

Prior to going into recess, the General Assembly had dropped nine bills concerning the SCHIP/PeachCare shortfall and future program design. Some of the bills called for the reduction of the program going forward in 2008, assuming that the program would be reauthorized; one or two recommend expansion to new populations or higher income level individuals.

In addition to state actions, several actions have occurred in Congress. Congressman David Scott has carried through on his initial commitment to contact the Democratic Leadership in Congress regarding adding the SCHIP shortfall fix onto the Iraq Supplemental bill. He sent confirmation yesterday that he had discussions with Congressmen Murtha and Reid and Speaker Pelosi. In addition, Senators Isakson and Chambliss attempted to amend the continuing resolution with a short term fix for SCHIP but were unsuccessful. They have also crafted a stand alone bill that would direct the Department of Health and Human Services (HHS) to redistribute surplus from other states to shortfall states. There have been comments in the news recently from House Appropriations Chair Obey and Senate Finance Chair Baucus about finding a solution either through a stand alone bill or amending the Iraq Supplemental language. Most recently a stand alone bill was created by Georgia Congressman Nathan Deal and Texas Congressman Joe Barton that would help with shortfall funding for families up to 200 percent of the Federal Poverty Level.

Dr. Medows reported that the Department held a public hearing on the PeachCare for Kids Public Notice. There were many who expressed their strong commitment and passion for the program's continuance. They also expressed their opposition to a freeze in enrollment even temporarily, program termination, hope that the state and federal government would come through with funding to continue the program, concerns about the delay in health care prevention for children should they lose coverage, and interest in an option that is being discussed and researched to move kids to Medicaid and expand Medicaid.

Dr. Medows said as of yesterday, there are 278,000 children in the PeachCare for Kids Program. The final vote on the public notice would freeze enrollment on March 11. At this time existing federal funds would get the Department through the end of March. She said she could not speak for any day after that until she received the final enrollment number and knew the actual expenditures including CMO capitation rates and fee-for-service claims as children enter into the program.

Dr. Medows addressed questions from the Board. Dr. Parker asked Dr. Medows what is the block? Where is it stopping or who isn't listening? Dr. Medows said her opinion is that it is a matter of everyone who has stood up for SCHIP and supported the provision of healthcare coverage for low income families and their children actually coming together for a compromise on what that means and agreeing on an appropriate appropriations that addresses the needs of that population—both at the federal and state level. Dr. Medows said that until the state receives a federal commitment, it is difficult to tell what the state needs to appropriate. She said she has received assurances from the Governor and House and Senate leadership that they will indeed step up, but they need to know how much and they need to be able to address federal regulations. Dr. Medows said the program has to be reauthorized. It is a combination of addressing the shortfall, reauthorizing the program and fixing the federal formula. Mr. Jones asked if more federal funds are not appropriated by the end of March, what will happen. She said by both federal and state law, the program will terminate. Ms. Gay asked Dr. Medows if new enrollment or re-enrollment had been halted. Dr. Medows said it is new enrollment; however, she emphasized that if members missed a premium payment they would be considered out of the program and counted as a new enrollment if they tried to come back to the program.

Committee Reports

Mr. Holmes asked Kim Gay, Chair of the Care Management Committee, to give the committee report. Ms. Gay said the Committee talked about monthly processing results and a quarterly report card. She said each month one of the care management organizations will attend the Care Management Committee to report on their outreach programs, community relations and resolution of issues such as emergency room visits and disease state management. Amerigroup presented at today's Committee meeting.

Department Updates – Chief, Medical Assistance Plans

Mr. Holmes called on Mark Trail, Chief, Medical Assistance Plans, to discuss two public notices. Mr. Trail began with an overview of the PeachCare for Kids Public Notice. He said the public notice seeks to institute a freeze in enrollment in the PeachCare for Kids program, specifically any new applications received or postmarked after March 11, 2007. Members enrolled and/or determined eligible prior to March 11 will not be impacted by the proposed change. Also, members whose participation in the program is suspended for failure to timely pay premiums or failure to provide required income verification will also be affected by this change and will be precluded from re-enrollment. The Department gave an opportunity for public comment on February 23. There were approximately 31 attending and 18 offering public comment. None spoke in favor of freezing enrollment. Several offered possible solutions or suggestions including providing 100 percent state funds and moving some or all individuals to Medicaid.

Dr. Parker stated that regardless of the board's vote, if the board voted not to go forward with the public notice, the fact is there is no money. Consequently, the board's vote will not impact what happens since there is no money.

Mr. Trail addressed the Board's questions about comments made during the public hearing concerning a drop in enrollment and the effects of changing the FPL. Further questions and discussion ensued about circumstances that led to the

funding shortfall, the state's efforts to renegotiate the distribution of funds, and a mechanism to reconsider enrollment if funds become available.

Mr. Holmes said that by far the way the State of Georgia has handled the SCHIP program is a model for other states. Mr. Trail added that the PeachCare for Kids Program has received national recognition from a number of groups for its outreach efforts and scope of program. Dr. Parker MADE a MOTION to approve the PeachCare for Kids Public Notice. Mr. Mason SECONDED the MOTION. Mr. Holmes called for votes; votes were taken. The MOTION WAS UNANIMOUSLY APPROVED. (A copy of the PeachCare for Kids Public Notice is attached hereto and made an official part of these Minutes as Attachment # 3).

Mr. Trail continued with an overview of the Mental Retardation Waiver Program (MRWP) and Community Habilitation and Support Services (CHSS) Public Notice. Effective for dates of service on and after April 1, 2007, the Department is proposing to increase the rate paid for service coordination in the MRWP Waiver and CHSS Waiver Programs. Payment is made on a per member per month (PMPM) basis, and will increase from \$125 PMPM to \$136.88 PMPM. An additional \$1,679,357 in total funds is estimated as the annual cost. An opportunity for public comment will be held on March 27 at the Department of Community Health. Dr. Parker MADE a MOTION to approve the Mental Retardation Waiver Program and Community Habilitation and Support Services Public Notice to be published for public comment. Ms. Gay SECONDED the MOTION. Mr. Holmes called for votes; votes were taken. The MOTION WAS UNANIMOUSLY APPROVED. (A copy of the Mental Retardation Waiver Program and Community Habilitation and Support Services Public Notice is attached hereto and made an official part of these Minutes as Attachment # 4).

Department Updates - Legislative Affairs Director

Mr. Holmes called on Carrie Downing, Legislative Affairs Director, to give an overview of the 2007 DCH legislative package. Ms. Downing said two of the Department's bills, House Bills 550 and 551 stem from the Deficit Reduction Act. The U.S. Congress passed and signed into law in February 2006 the Deficit Reduction Act (DRA). The DRA legislation was designed to reduce federal spending up to \$100 billion in the Medicare and Medicaid programs over a period of ten years. House Bill 550 relates to third party liability. It defines who the third parties are and determines the legal liability of third parties to pay for care and service. House Bill 551 addresses the elimination of fraud, waste, and abuse in the Medicaid fraud. House Bill 628 relates to Health Care Data and is consistent with the Governor's Health Information Technology and Transparency initiative. This legislation creates a website that is provider supported to allow consumers access to quality and pricing information. It requires health care facilities to report specific information to the Department. Senate Bill 172, Georgia Retiree Health Benefit Fund, is known as Other Post-Employment Benefits (OPEB). The Government Accounting Standards Board (GASB) adopted new accounting standards, GASB 43 and 45, which will change how States report future liability for retiree healthcare and other benefits. This legislation would change the Department's report to the Board of Community Health from a monthly basis to at least annually; authorize the deposit of retiree premiums into the OPEB trust fund; and redefine the SHBP reserve to cover both adverse fluctuations and future OPEB liabilities. Senate Bill 212 would amend the Open Records Act to exclude birthdates and social security numbers of public employees from disclosure. However, it would still allow access to state employee work related data. After addressing questions from the Board, Ms. Downing concluded her report. (A copy of the 2007 Legislative Agenda is attached hereto and made an official part of these Minutes as Attachment # 5).

Department Updates – Inspector General

Mr. Holmes said last month the Board asked the Commissioner to share information about performance measures that are being used in state government to give the board an idea of the kinds of things that are being measured by not only this

department but other areas of state government. He asked Doug Colburn, Inspector General, to give an overview of the department's five performance measures. Mr. Colburn advised that the measures were developed by the Department Management Team and are derived from a list of measures submitted to the Governor's Office of Planning and Budget.

Mr. Colburn reviewed the top five initiatives for DCH in FY 2007--Medicaid Transformation, Integrity of the Programs and Safety Net, Consumerism, Health Improvement and Resolving Disparities and addressing the Uninsured in Community Solutions--and key elements and key performance indicators (KPI) for a good performance measure.

The five measures are spend versus state revenue growth, eligibility, Care Management Organizations, health outcomes, and the State Health Benefit Plan. Some measures will be reported quarterly; some will be reported annually.

1. **Spend versus state revenue growth** - relates to the responsible use of resources. This is a high level look to make sure the Department is controlling expenses and does not surpass state growth in revenue. Mr. Colburn and Carrie Summers, CFO, addressed questions from the board. Ms. Summers said this was an aggressive goal to meet but one that the Governor is expecting the Department to try to do every year.
2. **Eligibility** - will be measured by the change in the percent of eligibility determinations made without error. The desired result is less than 3%.
3. **Care Maintenance Organizations** - will be measured by the percent of members choosing a plan and the percentage of clean claims paid within 15 business days.
4. **Health outcomes** - will be measured by a decrease in hospital utilization as a result of the Department's use of Disease Management and ASOs, and at least 50% of children enrolled are administered an Early Periodic Screening Diagnostic Treatment (EPSDT).
5. **State Health Benefit Plan** - will focus on customer service call center wait times and percentage of calls answered within a specified time frame.

Mr. Holmes said Mr. Colburn had given the Board a good starting point to begin dialogue about KPIs and trends. He stated that the Board officers and key DCH staff will discuss the performance measures and report back to the full board for further consideration. (A copy of the Performance Measures is attached hereto and made an official part of these Minutes as Attachment # 6).

Department Updates – General Counsel

Mr. Holmes called on Charemon Grant, General Counsel, to present for initial adoption proposed amendments to the State Health Benefit Plan rules. The purpose of the proposed amendment to Rule 111-4-1-.02 is to ensure that the rules reflect the Department's operational systems to make sure what is communicated to payroll locations is actually current practice. Rule 111-4-1-.02(3)(a) was deleted in its entirety and changes were made to other subsections. The purpose of changes to Rule 111-4-1.04 is to ensure that employees on leave of absences understand their responsibilities of paying their premiums timely. The amendment also informs the employee how and when coverage is reinstated. An amendment to Rule 111-4-1-05 clarifies the member's responsibility to pay their premiums timely and failure to do so will result in termination of coverage. Lastly, Rule 111-4-1-.06(6)(c) has been modified to delete the word "discontinue." Mr. Oshnock MADE a MOTION to approve for initial adoption State Health Benefit Plan Rules 111-4-1 to be published for public comment. Mr. Mason SECONDED the MOTION. Mr. Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of State Health Benefit Plan Rules 111-4-1 are attached hereto and made an official part of these Minutes as Attachment # 7).

Mr. Holmes called for an Executive Session of the Board pursuant to O.C.G.A. 50-14-2(1). Mr. Oshnock MADE a MOTION to adjourn to an Executive Session. Ms. Gay SECONDED the MOTION. Mr. Holmes called for votes; votes were taken. The

MOTION was UNANIMOUSLY APPROVED. The Board went into Executive Session at 12:08 p.m.

New Business

The Board reconvened at 1:18 p.m. Mr. Holmes welcomed the new board members again and advised that Dr. Medows is in the process of planning an orientation for Mr. Jones and Mr. Robinson.

Adjournment

There being no further business to be brought before the Board at the meeting Mr. Holmes adjourned the meeting at 1:20 p.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE
_____ DAY OF _____, 2007.

RICHARD L. HOLMES
Chairman

ATTEST TO:

MARK D. OSHNOCK
Secretary

Official Attachments:

- #1 List of Attendees
- #2 Agenda
- #3 PeachCare for Kids Public Notice
- #4 Mental Retardation Waiver Program and Community Habilitation and Support Services Public Notice
- #5 2007 Legislative Agenda
- #6 Performance Measures
- #7 State Health Benefit Plan Rules 111-4-1